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## **Prospectus Narrative Outline**

### **1. Our Vision**

#### **A. Mission**

The Flanner House Higher Learning Center will utilize years of experience in providing support services to minority youth to design and facilitate a program that will effectively target, support, and reach present and potential school drop-outs to maximize their learning potential and ensure that they graduate from high school.

#### **B. Need**

African Americans compose approximately 58% of students enrolled in the Indianapolis Public Schools (IPS). Yet based on the data from the 2000-2001 academic year, an estimated 56% of IPS' African-American students will never graduate from high school ("High School Graduation Rates in the United States," a study by the Manhattan Institute for Policy Research undertaken for the Black Alliance for Educational Options, or BAE0).

In addition, relatively few of those students still in high school are being prepared for college and better-paying jobs. Among IPS African-American tenth graders, only 28% passed the ISTEP in language arts during the 2000-2001 academic year, with only 26% passing in math. At Arlington and Arsenal Tech, two of IPS' large, impersonal public high schools, the percentages of all students (both white and non-white) taking the SAT exam for college admissions during the 2000-2001 school year were 35% and 16%, respectively -- compared to 54% for all Indiana high school students.

It is clear that unacceptable numbers of students attending Indianapolis Public Schools have not remained in school and are no longer progressing towards graduation or a higher education. These will never acquire the knowledge they need to be successful participants in our society and to effectively contribute to the economic lifeblood of Indianapolis. Yet our city's economic future depends on accessing a well-educated, highly motivated, and creative workforce to fill hi-tech, life science, and numerous other emerging employment needs.

The neighborhood surrounding Flanner House Higher Learning Center (FHHLC) is one of the poorest and most crime-ridden in the city. Perhaps its greatest need is for quality education for those who have slipped through the cracks, and to address the needs of those who may soon do so. This has been our motivation for launching our high school.

FHHLC, in the planning stage for almost two years, is an innovative approach to supporting the many thousands of minority youths within the public school system that are currently at-risk of dropping out, or have already done so, because of the failure of traditional public school environments to adequately address their needs.

- We will capitalize on the many years of experience of Flanner House as a social service and community center providing services for African-American youths (and administering an on-site GED program) to target, support, and effectively reach this population.
- Learning will be accelerated through a curriculum that has proven extremely successful in other states, making full utilization of technology and mentorship programs and combining self-paced, computer-evaluated learning activities with more traditional off-line classroom instruction.
- We will be housed in the current Flanner House facility, which will undergo a full renovation to also provide a separate space for social service and senior citizen's programs as part of a \$13,500,000 capital campaign (See "A Commitment to Educational Excellence," Appendix A).
- All students and their families will be able to access support services free-of-charge from the many social service and counseling programs Flanner House provides, thus alleviating some of the circumstances that originally led many of them to drop-out of school.
- And we will utilize a \$350,000 scholarship fund donated by USA Funds to fully interest our students in going on to college.

In all of these ways, FHHLC will offer a far more viable alternative to attracting, keeping and supporting minority drop-outs or potential drop-outs than any other public school in the metro area.

### **C. Goals**

Henry Levin (Levin, Accelerated Schools: A New Strategy for At-Risk Students, 1989) and Robert Slavin (Slavin, Karweit, & Madden, Effective Classroom Programs for Students at-risk, 1998) propose that schools provide an academic curriculum designed to challenge all students. For students at-risk academically, this means designing a plan that will result in students catching up with their peers. The curriculum should be rigorous and inspiring for all. Core curriculum objectives must be met by all students:

- Students should not be arbitrarily restricted from learning opportunities through rigid tracking.
- High performance standards are set.
- Effective programs must be based upon raising expectations.
- Programs must provide vivid examples, interesting applications, and challenging problems rather than emphasizing repetitive learning.
- Finally, they must set timelines for bringing students back into the mainstream.

All of these goals and practices lie at the core of FHHLC in teaching and training at-risk and drop-out youths. Examples of our benchmarks follow:

#### Academic Performance Objective

- 65% of 10<sup>th</sup> graders (based on their number of credits) will pass the ISTEP English/Language Arts and Mathematics tests.

### Additional Academic Benchmarks

- A majority of students will achieve an 80% mastery of their course objectives in their core subject areas (math, language arts, science and social studies) and electives using the A+ assessment system.

### Organizational Viability:

- All key stakeholders involved in FHHLC (including founders, board and staff) will undergo a strategic retreat prior to August 1, 2002.

### School-Specific Objectives:

- By the beginning of FHHLC's second year, at least 75% of students who enter FHHLC will graduate.
- 2<sup>nd</sup> Objective: 80% of all students and staff will report high levels of satisfaction with FHHLC on multiple measures.  
*Instrument:* customer satisfaction surveys administered in the spring of each year.  
Increased satisfaction will be measured by:

Finally, FHHLC intends to track our graduates to determine the overall effect of our program on their lives. This will be particularly useful as FHHLC will be able to provide college scholarships with the aid of USA Funds.

### Post-Graduate Objectives:

- 80% of our students will acknowledge that FHHLC made a positive contribution to their lives after graduation.
- At least 30% of our graduates will have gone on to a college, university, or technical school.

## **II. Who We Are**

### **A. Founding Group**

Originally envisioned as a partnership with IPS, FHHLC has been in the planning stage for almost two years. Its potential as an independent charter school holds far more promise in terms of its mission and objectives. A great number of people have been involved in creating the concept of the school during this time.

A driving force behind the school has been Flanner House itself, which has looked for a way to effectively serve the many minority youth who are its clients and those living in the surrounding neighborhood who are either unemployed or in low-paying jobs because they did not finish high school. Many employees and volunteers at Flanner House have played key roles in founding the school.

Another early founding component has been USA Funds, which has had a similar concern: to provide adequate educational opportunities for minority youth. USA Funds, which has committed hundreds of thousands of dollars to FHHLC, has teamed with HUDDLE Learning, Inc., to provide the money and expertise needed to put FHHLC's innovative technology curriculum in place. Don Fast and Maureen Weiss, founders of HUDDLE Learning, have a combined 46 years of experience working with educational systems. The senior executives of HUDDLE Learning, Inc., plan to spend between 50-100 contracting days implementing their system on-site during FHHLC's first year of operations as part of their consulting contract.

SchoolStart Indiana has also played a key advisory role in making the school a reality. Its participation is outlined under the Governance and Management section below.

We have had a series of interviews with a current IPS Principal who has a particular interest in working with the student population that is the core of the school's mission. This individual is very excited about serving as the school's Principal, and has a continuing passion for developing the type of innovative programming that FHHLC embodies.

Moses Gray, our Board Chair, brings 30 years of management experience from corporations and community-based organizations. He has served in a leadership capacity of the Indianapolis Urban League, the Indiana University Foundation, the Indiana Vocational Technical College, and numerous other organizations. Moses is currently the CEO of a community health center providing services to the near north side.

Information regarding other current school leaders is contained in [Appendix C](#).

### **III. Educational Services Provided**

#### **A. Educational Philosophy**

Flanner House, the parent social service and educational agency that spawned FHHLC, is located in the Near Northwest area of Indianapolis. It is a 103 year-old educational, social service and child development center originally established to serve African-American families migrating to the state from the South. It is the oldest social service agency serving African-Americans in Indiana. Its largest components are the Child Development Center, the Multi-Service Center, and the Flanner House Academy, a first through third grade private school now in the process of becoming a public charter school--Flanner House Elementary (FHE), sponsored by the Mayor of Indianapolis.

The Flanner House Higher Learning Center (FHHLC) will have a separate Board and legal structure from all existing Flanner House entities (including FHE), but will retain the ability to draw upon the experience and extensive resources of its founding organization. Though a public school, its students and their families will have full access to multiple on-site social services, including counseling, employment, child care, and housing referral. We have found that such an arrangement fosters education by ensuring that students do not leave school because of personal or family concerns beyond their control.

The vision and purpose of the Flanner House Higher Learning Center corresponds with the sweeping educational reform on the national education level initiated in early 2002 when President Bush signed into law the *No Child Left Behind Act of 2001*. This Act is the most sweeping reform of the Elementary and Secondary Education Act (ESEA) since ESEA was enacted in 1965. Completely redefining the federal role in K-12 education, this act will help close the achievement gap between disadvantaged and minority students and their peers. *No Child Left Behind* is based on four basic principles: stronger accountability for results; increased flexibility and local control; expanded options for parents; and an emphasis on teaching methods that have been proven to work.

Opportunities now exist for creating new models for learning that go beyond the structure of most existing schools and capture the technological advances of the present day. Technology is moving forward so rapidly that it is difficult for individuals to stay current with ongoing advancements. A rapidly advancing area is internet-delivered and computer-based learning opportunities. Business and industry are using these mediums to enable their workers to stay current with rapidly changing technologies. Schools, by contrast, have been slower to utilize these approaches. In part, this represents a major shift in thinking to move from a dependence on human-delivered learning to incorporate these newer forms. Instead, computers have been viewed as tools to reinforce classroom-based, teacher-delivered learning. Yet an increasing number of successful national charter schools are finding that students can receive courses via the computer or the Internet, and these can be supplemented and explained with the help of on-site teachers and mentors. Among numerous examples are the Florida Virtual High School and the University of Nebraska's Virtual Learning Center. These programs, however, often remain out of reach of the high school non-completer or those with sub-par grades due to academic prerequisites.

The purpose of the present proposal is to establish a 21<sup>st</sup> Century neighborhood-learning center, focused on a new charter high school, within the HUD development district that now surrounds Flanner House. This will be a computer-enhanced learning center serving high school students and drop-outs to increase their capacity to be successful learners. Its facilities will also serve the neighborhood's adult population by creating the opportunity to upgrade expanded basic skills at those times and months (such as the summer) when it is not utilized as a high school. These skills will allow neighborhood adults to use the school to develop technology skills that directly translate into work force skills, sought after by business and industry—while also teaching these same skills to high school students. Through this multi-generation learning center, school-age children will be able to interact with their parents as learners. This modeling offers tremendous potential to the many lower socioeconomic neighborhoods in Indianapolis.

Frank Brown, from Middle Tennessee State University conducted one of the more complete studies on the effect of computer-assisted instruction on learner achievement. His focus was on mathematics in a large urban North Carolina public school system. Conducted over a two-year period, it involved students from 3 schools in 11 different classes. The study demonstrated that the students who utilized the computer-assisted instruction scored significantly higher than the students who did not participate, (with a 99.5% confidence level). Algebra students using the technology made a 17% jump in scores (Brown, *Computer-assisted instruction in Mathematics*

*Can Improve Students' Test Scores: A Study*, ERIC Middle Tennessee State University microfilm ED443688, 2000).

Finally, perhaps the most unique feature of FHHLC is its partnership with USA Funds, which has committed to a \$220,000 school endowment as well as \$350,000 in scholarship funds for graduates who want to go on to college. These funds will be available only if FHHLC opens this fall. The scholarships will provide a tremendous incentive to students to graduate, make it easy to recruit new students, and allow us to offer a highly innovative and viable model for teaching and training present and prospective drop-outs.

FHHLC will utilize the proven HUDDLE Learning model as its core computer program. This model has recently been adopted by three charter schools in other states because of its easy application to at-risk populations. It focuses on educational advancement within customized time elements, and is being used successfully to address the special needs of drop-outs. Customization is made possible for each participant's learning needs with the help of computer-monitored proficiency-based educational programs. The computer assists in monitoring a student's data-based decisions to ensure students are never asked to move beyond their abilities. With the help of ongoing computerized instruction, students can avoid the possibility of humiliation from classmates due to different learning needs and/or their ability to learn within a specified timeframe. This is especially important in maintaining the self-esteem of at-risk students. This process will result in an educational environment that embodies a constantly improving clientele skill set and organizational enhancement based on individual needs.

FHHLC will also utilize multiple approaches that build upon students' existing strengths and make connections with their life experiences. In addition to providing a platform for completing high school, technology programs have one other strong advantage. They prepare students for the world of work, including giving them an awareness of the need for flexible skills in an environment of changing technology. Students will leave school appreciating the opportunities for enterprise available through the creative application of technology, while have a strong background in basic computer skills.

Finally, FHHLC is committed to ensuring that no student falls behind. Teaching assistants, mentors and parent volunteers (recruited both by the school and Flanner House) will help to tutor students who need further help, and teachers will work closely with Special Ed. instructors and consultants to ensure special ed. students make progress according to their ability. We will also utilize the resources of the Indiana Public School, with whom Flanner House is partnering in our current educational programs, as a resource, particularly for LEP learners.

### The Association of Flanner Schools (AFS)

The Association of Flanner Schools will be an independent non-profit, initially composed of Flanner House Elementary; and Flanner Middle School of the Performing Arts and Flanner House Higher Learning Center, both of which are now applying to the Mayor for sponsorship. Though working with students with different ages and backgrounds, each shares Flanner House's commitment to a culture embodying mutual respect, enthusiasm, strict discipline, shared responsibility, core values, and consistent educational quality. In participating as a partner in AFS, each school will commit to the following parameters:

- send one representative to AFS's Board.
- have its own individual Board and be a separate 501c3.
- agree to invoke strict quality and ethical standards.
- share centralized fundraising for all AFS schools (except for individual programs) to maximize funding potential.
- share in support and professional development initiatives.
- Commit to remaining small, parent-responsive, creative, and community-based.
- share a "no excuses" focus, treating every child as gifted.
- share Flanner House's interaction with families and the community through collaborative on-site counseling and social services.
- integrally include parents as volunteers, active participants, and Board members.
  - offer a high quality academic education.

### Parent Involvement

Though parental involvement has been a key to all Flanner endeavors, and all parents at Flanner's elementary and middle schools are expected to volunteer, parental involvement may often be more limited at FHHLC. Many students will have previously left school and will be working and living on their own and away from their families. Others will have been estranged from their homes or moved to Indianapolis from another city. Yet whenever possible, FHHLC will attempt to include parents in their child's education and use them as a resource to further personal and learning goals. And we will develop specific programs to include them as volunteers, mentors, and support people in both their own child's education and the overall environment of the school.

### **B. Curriculum**

Flanner House will be partnering in its technological innovation learning with HUDDLE Learning, Inc (HLI), a Kansas-based consulting group. HLI, with the financial support of USA Funds, is building 25 centers that will successfully utilize computer-based technology to help educate at-risk students or those from low socio-economic backgrounds. The founders of HLI have developed an educational process to specifically meet the needs of this student market. Through eliminating the "hassle factors" associated with re-entry into the educational arena, school dropouts can rededicate themselves by obtaining the necessary skill sets required to succeed in today's economy.



This educational delivery model has been designed to undo this “digital divide” by creating a success-oriented educational environment that builds self-esteem and develops an attitude of “embracing change and responsible risk-taking.” This model also delivers educational opportunity in a cost-effective manner, and in which success can be defined and measured by creating monitoring tools to encourage well positioned learning changes to adjust to today's labor market. The entire model will also be integrated with the greater community need through providing educational/technological training to adults during non-school hours in the evenings, weekends, and in the summer months.

A number of individuals closely connected to FHHLC have traveled to Kansas to visit various schools using this learning model and observe first-hand how it address the needs of drop-outs. These include Cynthia Diamond, Director of FHE; and Pamela Poore (from FHHLC's Board of directors), Pat Rowe (from FHE's Board) and others working at USA Funds. These trips showed clearly that this type of approach could be successful in our present environment.

All of FHHLC's core high school subjects, including biology, earth science, physics and chemistry; the language arts; history and social studies; mathematics; and the arts, will be taught using a combination of computer learning, individual learning plans, mentorship, and traditional classroom instruction. In addition to its licensed teaching staff, FHHLC will use a large number of community volunteers as tutors and mentors, to help bring each student up to his or her current grade level and abilities. This will be a core element of our academic program. Because of our relationship with Flanner House, we are strategically placed to recruit as many volunteers and mentors as we will need for this purpose, permitting us to focus on meeting each student's individual instructional needs.

FHHLC's curriculum will include a combination of:

- A+ Computer-Assisted Learning Software
- Courses Aligned with Local Requirements
- Alignment with State Curriculum Outcomes
- Third-Party Software
- Off-Line Instruction
- Individualized/Personalized Instruction
- Self-Paced Instruction

The American Education Corporation has developed the A+dvanced Learning System, more commonly called A+, which is aligned to the Indiana State Standards and the following national standards: the National Council of Teachers of English (NCTE), the National Council of Teachers of Mathematics (NCTM), the National Science Education Standards (NSES), Benchmarks for Science, the National Council for Social Studies (NCSS), Core Knowledge, and McREL. The A+dvanced Learning System (A+LS) courseware is a family of software products, providing a modular building block curriculum through which educators can build a powerful and complete integrated learning system (ALS Overview Handbook, 2002).

The main focus of the software has been on the core subjects of math, language arts, science, and social studies. Each lesson follows the pattern of study, practice, test, and often an optional essay. This instructional methodology is both Direct Instruction and Constructivist in its approach. The addition of an optional essay also allows and encourages the student to pursue higher levels of mastery and learning on the progression of Bloom's taxonomy (ALS Overview Handbook, 2002, pg 3). The A+LS supports direct instruction with carefully constructed and sequenced lesson content. "It is designed with the principles of gaining attention and presenting material in step-by step progression from subtopic to subtopic with frequent assessment of student understanding before, during, and after lessons (pg. 4)." This A+LS management system enables lessons to be integrated into thematic units from across content areas and with external internet or other learning resources. In addition, instructors plan additional learning activities within each course, called off-line projects, that integrate and culminate learning for each student.

Students are assessed against the Indiana standards with any voids or gaps in learning being identified. The management system plans additional learning activities to allow each student to master his or her particular content needs. Thus each student is able to have an individual plan for learning that is benchmarked against the Indiana standards and prepares the student for the Indiana Qualifying Exam. Students can also access their own progress reports, thereby increasing their own understanding of their learning progress.

A study designed by a researcher at Middle Tennessee State sought to determine the effect of the use of this A+® software on student achievement in mathematics in a Middle Tennessee high school.

The central research question addressed in the study was: will the use of A+® software once per week produce a higher level of achievement as measured by a twelve-week test? The study found that students that received computer-assisted instruction had a gain that was 110% higher than the students that received only traditional teaching methods. The students in Algebra I in the experimental group had a gain that was 100% higher than the control group, while the students receiving the computer instruction in the Algebra II classes scored 23.2% higher than the other group. The study found that overall the students who received computer-assisted instruction one hour a week had a gain of 71.48% higher than the group that only received traditional teaching methods. (<http://www.amered.com>).

Experience in other states has shown that these results translate easily to both a drop-out or at-risk population.

### **C. Assessment**

With the aid of computer tracking, each FHHLC student will know what they learned at the end of each day and the school's administration and faculty will also be able to determine who learned what and at what level. Each student will have an individual learning path to achieve the Indiana standards. Progress will not be based on "seat time" but "performance based."

FHHLC will adopt multiple tools to assess not only academic achievement, but also areas such as student and parent satisfaction, community service, and student attitudes. Because we are dealing with a largely at-risk student population, assessment will play a larger role at FHHLC than in most other high schools. Students may have previously dropped out and thus span a somewhat wider range of age and grade levels, and many may be far older than their grade level achievement would indicate. We are in the process of developing a series of measures to ensure proper assessment as well as continuous evaluation mechanisms. We will use both standardized and alternative assessments to measure not only academic achievement, but also attitude, perseverance, and other factors that can help to determine success within this student population. (These have been detailed, for example, in Measuring Up, a study of alternative rubrics compiled by Chicago charter schools.)

The Flanner House Higher Learning Center will use multiple measures of student progress, starting with the A+LS management and assessment system. Since the Learning Center will be organized as a “performance based” school environment, the order and progression of the A+LS is well adapted to the philosophy of the school. The A+LS system starts with a pretest to determine the learning level and knowledge of the student. This assessment engine is benchmarked against the State of Indiana standards and the capabilities of an individual.

From this assessment information, an individual learning plan is developed through the A+LS management system. A student completes assigned learning activities while on-going assessment occurs at critical points along the learning path, as assessment is continuously embedded in the learning process. A post-test is administered to determine mastery of the prescribed content. If a student fails to show mastery, additional activities are recycled through the student’s learning path before anyone is allowed to progress to other learning activities. This procedure is followed in all core content areas.

This individual student assessment information can be aggregated by the A+LS management and assessment system to course level content or to address the needs of multiple students. Individual student learning time can also be aggregated in a similar fashion. Third party software can also be added, and their learning activities accounted for, within the A+LS assessment system. By aggregating the student information, instructors are able to see which students need additional learning assistance and in which areas. In the hands of creative instructors, the A+LS management and assessment system becomes a powerful tool for measuring and moving student progress to higher levels of learning.

In addition to this built-in assessment system, students will be administered specific Indiana assessments at appropriate times that is matched against their learning content areas. The Indiana Qualifying Exam will be administered to all eligible students and all students will need to pass the exam prior to graduation or completion of learning activities. Students can qualify for taking the IQE whenever their A+LS assessment profile indicates that they are ready to pass the exam. In addition, an instructor’s professional judgment in the form of a written recommendation will also be required. The instructor will document that the student’s learning A+LS profile has adequately prepared him or her, and that the instructor believes the student is ready for the exam.

Finally, SchoolStart Indiana, a non-profit consulting with the school, will recommend outside evaluators to undertake a comprehensive study of the school's performance towards the end of its initial academic year. This study will include interviews with students, parents and staff; observations of classroom and general school activities; a review of surveys from all school stakeholders; and a thorough evaluation of test score results and other accountability data.

Specific assessments are mandated by state law. Note that grade levels in our program are not determined by age, but by the number of credits accumulated by an individual student.

- 10<sup>th</sup> Graders will take the ISTEP in English/Language Arts and mathematics.
- 9<sup>th</sup> Graders will take the ISTEP in science and social studies, as well as Terra Nova exams in the fall and spring.
- 12<sup>th</sup> graders will take the IQE in order to graduate.

#### **D. Special Student Populations**

In the Special Education arena, success with the use of technology has also been documented. For example, Carol Holzberg's studies (in *Special Education Success Stories, Technology and Learning* (17) 2 35-41, 1996) indicated that when computers serve as key communication devices for special education students, they often provide the only effective means they have of communicating what they are able to learn.

We anticipate that FHHLC will join FHE as a member of a special education coop now being formed in partnership with the Mayor's office and the DOE by four charter schools currently located within Indianapolis, called the Indianapolis Charter Special Services (ICSS). The ICSS' Director of Special Education will interface with the DOE's special education department as well as the special ed. teacher employed at each collaborating school to help ensure that all special needs students receive the services they are entitled to. He or she will help with regulatory, reporting, financial, evaluative, programmatic, and other aspects of the program.

At FHHLC, this position will be supplemented by a multiply-licensed special educational teacher on our staff who will be responsible for all assessments and monitoring of individual students, and by contracts with other collaborative schools and agencies to provide any other special needs. We have already received a number of phone calls from candidates for this position.

Finally, FHHLC's own special education teacher will engage teachers and parents in the process of determining appropriate services and forming Individual Education Plans (IEPs). While our philosophy remains to integrate special ed. students as much as possible into mainstream classrooms, students with exceptionally high needs may need to spend far more time with our special ed. consultant. Moreover, as stated above, we will utilize the arts, including music and theatre, as much as possible to expand opportunities for learning and creative expression of our special needs students.

Similarly, depending on the number of LEP students enrolled, FHHLC will contract with a licensed ESL instructor to address the needs of these students. This instructor will work closely with teachers, volunteer tutors, and parents, to ensure that LEP students progress along with their appropriate grade level. Volunteer tutors will be asked to supply additional support as needed, and we will also utilize community services to consistently augment on-site instruction and practice.

#### **IV. Organizational Viability and Effectiveness**

##### **A. Budget and Financial Matters**

FHHLC will draw its students from the thousands of minority youth within the public school system who are at risk of dropping out--or have already done so. For example, data from the 1990 Census showed approximately 6,000 residents living within a one-mile radius of Flanner House that did not have a high school diploma. Approximately 35% of these had not even completed their ninth-grade year of schooling.

It is clear to the vast majority of residents in our community that the traditional public school system has simply not served them. Most minority students have either dropped out of school or have not graduated with their class. The tremendous credibility and good will of Flanner House, the combination of support services we can offer, our partnerships with multiple referral agencies and non-profits, our \$350,000 college scholarship fund, and our stress on learning technological skills, will all draw to the school some of the tens of thousands of students who have dropped out of less compatible environments but now want to graduate. FHHLC will utilize Flanner House as the main outreach and communications center in this neighborhood and surrounding community to recruit students, including youth who are already clients.

In addition, we will be holding ongoing neighborhood meetings and open houses to let families in the blocks surrounding FHHLC know about the high school. While we will naturally attract students who currently must be bused to public high schools as far as the south side of Indianapolis, many others will be referred to us by agencies and teachers.

Perhaps the most unique feature of FHHLC is its partnership with USA Funds, which has committed to a \$220,000 endowment for the school as well as a \$350,000 scholarship fund for graduates who want to go on to college. This will make it far easier to recruit new students as well as offer a tremendous incentive for our students to graduate.

In addition to acquiring a facility that will be fully renovated through Flanner House's current capital campaign, FHHLC will also receive additional funding of \$150,000 as part of the fundraising plan (See Appendix A).

FHHLC will serve 9<sup>th</sup>- 12<sup>th</sup> graders, although grades will not be determined on the basis of age level but on credits completed. We will begin with 100 students, with a maximum enrollment of 175 reached by our second year of operations. This size will be ideal for the type of program we seek to install, and will permit extensive individual computer-based work as well as ongoing off-line classroom activities. It also will allow us to utilize the current renovated Flanner administrative as a school site.

### **Anticipated Funding Sources**

Flanner House has been advised as to the gap in funding that will occur in the first year of the school's opening. Plans are already underway to raise the funds necessary to bring the school to fruition:

- FHHLC has already garnered a \$210,000 grant (\$105,000 for two consecutive years) from the USA Fund Foundation to support its educational activities during its first and second year. This grant will be awarded to two payments over the course of the first two operating years.
- FHHLC will also receive a grant of \$125,000 from a \$1,000,000 special endowment fund set up as part of the current \$13,500,000 capital campaign that will also support construction/renovation of its facility (See Appendix A, "A Commitment to Educational Excellence"). Though this campaign is just now being launched, it has already received several hundred thousand dollars, and over 200 funders are being approached with the help of a professional fundraiser. (A total of 61 were interviewed just during the feasibility study.)
- We have also received a separate \$350,000 grant from the USA Fund to supply college scholarships for our graduates! These funds will go into the endowment and will create a unique incentive for our high school students to graduate and move on to college.
- Flanner House is working with an experienced local consultant, Bob Barrett, to lead our capital campaign. The goal is to develop a renovated facility in which FHHLC will be housed, beginning in the fall of 2004. Mr. Barrett believes that we are realistically positioned to reach a campaign goal of three million dollars by December 2002. While the campaign has not officially been launched, we already have received pledges in excess of \$200,000.
- FHHLC will also apply for a \$450,000, three-year Federal start-up grant. Although this grant will likely be highly competitive, we believe our partnership with SchoolStart, a Minnesota-based non-profit that is consulting with us in start-up, and Flanner House's outstanding record for community collaboration will help us prepare a winning proposal. All four of SchoolStart's eligible Minnesota partners received similar competitive grants in 2001.
- FHHLC is planning on a major (\$150,000-\$200,000) grant from the Walton Family Foundation, which has donated heavily to SchoolStart-supported schools (as well as SchoolStart itself). The four Minnesota schools SchoolStart recently helped open received an average of gift of \$163,000 each.
- In addition, Flanner House's banker Lynn M. Walston of National City Bank of Indiana, has verbalized that FHHLC will be positioned to secure a major line of credit, given Flanner House's willingness to cross-collateralize FHHLC, however, we do not anticipate this need.

	<b>Pre-Opening</b> <i>From approval to opening</i>	<b>Fiscal Year</b> <b>2003-04</b>	<b>Fiscal Year</b> <b>2004-05</b>	<b>Fiscal Year</b> <b>2005-06</b>
Projected Enrollment		100	175	175
<b>I. Revenues</b>				
Carry-over + reserve from previous period		99,000	47,155	162,849
Per Pupil Payments		597,375	1,195,223	1,225,103
State Grants		5,000	10,000	10,000
Federal Grants	150,000	150,000	150,000	
Private Funds	120,000	200,000	75,000	25,000
Lunch Revenue		31,200	62,400	93,600
Other				
	<b>270,000</b>	<b>1,082,575</b>	<b>1,539,778</b>	<b>1,516,553</b>
<b>II. Expenditures</b>				
<b>Human Resources</b>				
Administrator Salary	10,000	75,000	77,250	79,568
Start Up Coordinator Contract	30,000	10,000		
Lead Teachers Salaries	0	45,000	92,700	95,481
Teachers (FT) Salaries	0	220,500	360,500	371,315
Teachers (PT) Salaries		40,000	61,800	63,654
Special Education Teacher	0	40,000	46,350	47,741
Secretary/Clerical Salary	7,500	25,000	25,750	27,500
Payroll Taxes (9%)		40,995	59,792	61,673
Benefits (25%)		113,875	166,088	171,315
Custodial Services		5,000	5,150	5,305
Contract/Consultants	0	2,000	2,000	2,000
Professional Development	5,000	10,000	10,300	10,609
Substitute Teachers		7,000	9,000	9,000
Board Recruitment				
Board Development	4,000	3,000	2,500	2,500
Other Human Resources Expenses				
<b>Total Human Resources</b>	<b>56,500</b>	<b>637,370</b>	<b>919,179</b>	<b>947,659</b>
<b>Facility</b>				
Rent	0	20,000	35,000	35,000
Mortgage				
Renovation/Construction	0	0	0	0
Debt Service				
Utilities		17,500	32,156	32,156
Maintenance		7,000	7,210	7,426
Other Facility Expenses				
<b>Total Facility</b>	<b>0</b>	<b>44,500</b>	<b>74,366</b>	<b>74,583</b>

<b>Materials/Supplies/Equipment</b>				
Textbooks and Other Instructional Supplies		20,000	30,625	30,625
Assessments		7,500	13,125	13,125
Instructional Equipment		3,000	5,250	3,500
Classroom Technology		10,000	13,125	8,750
Office Technology and Software	5,000	3,000	2,000	2,000
Instructional Software/Internet Access		2,000	3,000	4,000
Library		7,500	8,750	8,750
Office and Faculty Furniture		1,500	1,250	1,250
Classroom Furniture		12,500	10,000	10,000
Copying and Reproduction	2,000	7,500	13,125	8,750
Postage and Shipping	2,000	2,000	3,500	3,500
Telephone/Fax Lines/Long Distance	1,000	2,000	2,000	2,000
Other Material/Supplies/Equipment	1,500	2,500	3,000	3,500
<b>Total Materials/Supplies/Equipment</b>	<b>11,500</b>	<b>81,000</b>	<b>108,750</b>	<b>99,750</b>
<b>Additional Costs</b>				
Contracted Services (HUDDLES, SchoolStart, etc.) and Business Services	65,000	95,000	25,000	15,000
Special Education Cooperative		20,000	20,000	20,000
Insurance		20,000	21,000	22,050
Marketing/Development	25,000	15,000	5,000	5,000
Legal Expenses	5,000	3,000	3,000	3,000
Accounting/Audit	3,000	12,000	12,360	12,731
Transportation		43,550	80,023	83,834
Field Trips		20,000	35,000	35,000
Food Service		39,000	68,250	68,250
Cash Reserve @ 3%	6,750	32,477	46,193	45,497
Other/Miscellaneous	5,000	5,000	5,000	5,000
<b>Total Additional Costs</b>	<b>109,750</b>	<b>305,027</b>	<b>320,826</b>	<b>315,361</b>
<b>Total Revenues</b>	<b>270,000</b>	<b>1,082,575</b>	<b>1,539,778</b>	<b>1,516,553</b>
<b>Total Expenditures</b>	<b>177,750</b>	<b>1,067,897</b>	<b>1,423,122</b>	<b>1,437,353</b>
<b>Balance</b>	<b>92,250</b>	<b>14,678</b>	<b>116,656</b>	<b>79,200</b>



## **BUDGET NARRATIVE**

### **Revenue Assumptions:**

*Carry-over + reserve from previous period.* The fund balance remaining from the previous year.

*State Per Pupil Funding.* Based on the Indiana Department of Education's school formula estimates for Calendar Year 2003 (made available to the Indiana Charter Resource Center in late 2002) This formula includes State Regular aid, Levy funds, Auto Excise funds, Special Ed, and At Risk funds. We assume that approximately 80% of our students are resident in Indianapolis Public Schools (average of \$6,700 per student annually), with the balance from township schools (average of \$5,700 per student), yielding a blended average of \$6,500 per student. We estimate inflation at 2.5% annually (calendar year).

*State Grants.* Includes competitive state grants such as Safe Schools and technology initiatives.

*Federal Start-Up Grants.* Flanner House Higher Learning Center expects to be awarded this competitive grant, which amounts to \$150,000 per year for three years.

*Private Funds.* We already have \$210,000 committed from USA Funds, split equally over the start-up and first operating years. We also expect to receive \$150,000 in private support during our first and second operational years from the Flanner House fundraising campaign soon to begin. We also expect to submit an application to the Walton Family Foundation for both planning and start-up support, and will also seek other foundation, corporate and individual donations.

*Lunch Revenue.* This includes both State funds for students with free and reduced lunch classification as well as fees paid by families. We estimate this amount at \$2 per student per day for a maximum of 195 days.

### **Enrollment Projections**

2003-04	100 students
2004-05	175 students
2005-06	175 students

### **Expenditure Assumptions:**

Assumes a 3% annual inflation rate on most items.

<u>Position</u>	Salary in 03-04	Number (03-04)	Number (04-05)	Number (05-06)
Administrator	\$75,000	1	1	1
Lead Teachers	\$45,000	1	2	2
Teachers	\$35,000	6	10	10
Part-Time Teachers	\$20,000	1 FTE	1.5 FTE	1.5 FTE
Special Ed. Teacher	\$40,000	1	1	1
Clerical	\$25,000	1	1	1
Custodial Services	\$ 5,000	.25	.25	.25

During the start-up year, all positions will be contracted, not salaried.

*Consultant Fees* Curriculum Development, evaluation, and other educational program consulting.

*Payroll Taxes.* Calculated at 9% of salaries.

*Benefits.* Calculated at 25% of salaries.

*Professional Development.* Includes regular training, consulting, and occasional conferences and site visits to exemplary schools.

*Substitute Teachers.* \$100 per month per teacher @10 months + \$2,000

*Board Development.* Training and consulting.

## **Facility**

*Rent.* Calculated at 100 sq. ft. per student at \$2 per sq ft on the Flanner House campus, housed in a facility expected to be completed by August 2003.

*Utilities.* Calculated at \$1.75 per square foot used at 5% annual inflation.

*Maintenance.* Repairs and cleaning supplies.

## **Materials/Supplies/Equipment**

*Textbooks and other instructional supplies.* Calculated at \$200 per student for supplies, books and textbooks in year one, declines afterward.

*Assessments.* Calculated at \$75 per student.

*Instructional Equipment.* Includes VCR and overhead projectors. for classroom. Calculated at \$30 per student for the first two years, \$20 in year three, \$15 subsequently.

*Classroom Technology.* Estimated at \$150 per student for the first year, \$75 in year two, \$50 in year 3, \$40 afterward, including maintenance and repair.

*Office Technology and Software.* Includes leasing and/or purchasing computers, printer, fax and copier; estimated at \$8,000 combined over the start-up and first year.

*Instructional Software and Internet Access.* Calculated at \$25 per student in first year, slightly less after that.

*Library.* For book acquisitions; calculated at \$75 per student for the first year, \$50 in years two and three, and \$40 per student afterward.

*Classroom Furniture.* Calculated at \$125 per student the first year, \$125 per new student in years two and three, and \$25 per student for maintenance and replacement in subsequent years.

*Office and Faculty Furniture.* Calculated at \$250 per new staff member.

*Copying and Reproduction.* Estimated \$2,000 pre-operating year; Calculated at \$75 per student in years one and two; \$50 per student afterward.

*Postage and Shipping.* Estimated \$2,000 pre-operating year; Calculated at \$20 per student subsequent years.

## **Additional Costs**

*Contracted and Business Services.* Consulting services and start-up support from SchoolStart will be the majority of this category in the start-up, first, and perhaps second years of operation. The HUDDLES program services will cost an estimated \$36,000 during the first year. Also includes consulting related to strategic and business planning and other business services.

*Special Education Charter School Cooperative Services.* Estimated cost on participating in the Special Education cooperative, based on 2002-03 rates (cost of Director of Special Education, and overhead divided by the number of participating schools).

*Insurance.* Estimate based on charter schools in other states. Includes all required coverage.

*Marketing Development.* Consulting and material costs for student recruitment activities and public relations, including cost of producing brochures and materials.

*Legal Expenses.* Includes setting up the non-profit status of the school and review and approval of contracts.

*Accounting and Audit.* Estimated at \$3,000 for pre-operational year and \$4,000 per operating year for bookkeeping services, and \$8,000 a year for an annual audit to be conducted by a separate contractor for subsequent years.

*Transportation.* Estimated service to 67% of students at \$650 per year, with 5% annual inflation.

*Field Trips.* Fieldtrips calculated at \$25 per student, 8 times a year.

*Food Services.* Calculated at \$2.00 per day per student for maximum of 195 days.

*Cash Reserve.* We will put 3% of all revenues into a reserve fund, to be left untouched (and included in the following year's budget as carryover from the previous year).

## **B. Governance and Management**

FHHLC will utilize a relatively simple governance and management plan, patterned after FHE. FHHLC's principal governmental and management components are a Board of Directors, which also maintains an Executive Committee and various other committee (financial, curriculum, facilities, etc.); a Principal; and a Business Manager.

The Principal will be in charge of all day-to-day operations, including staffing and mentorship/volunteer activities. He will serve as the main interface with parents on any special school issues beyond the responsibility of an instructor.

The Board of Directors will be responsible for maintaining the innovative mission and vision of FHHLC. It will set general curricular policies and evaluate their effectiveness on a regular basis through a Board committee. It will be in charge of evaluating, hiring and firing the Principal. It will also set overall school policy and engage in strategic planning activities, including helping to draft and approve an annual budget and a longer-range financial plan. The Board will oversee fundraising, and approve the accountability goals and objectives. It will ensure that the school follows all state and federal laws and serve as a means of appeal from any party within the school community.

Board candidates have been considered on the basis of their willingness to volunteer substantial time to the school, and their expertise in areas of relevance to the school's operations, such as finances, fundraising, law, education, and technology. As a potential Board member is identified, he or she is interviewed and if a consensus arises as to their appropriateness, they are asked to join. The initial start-up Board includes individuals with a wide range of expertise in start-up areas, and will transition to a more permanent Board that will include parents and staff once the school year gets underway

### Staffing

The Principal holds responsibility for staffing decisions within the budgetary guidelines set by the Board. The Board enters into contracts with individual employees and is responsible for hiring and evaluating the Principal, who reports directly to the Board.

### Curriculum

The Board is responsible for ensuring overall curricular policy and ensuring that FHHLC conforms to state standards and the school's overall vision and mission. Other curricular matters will be the responsibility of the Principal and his staff.

### Budget

Budget allocation and vendor selection will remain the responsibility of the School Director and/or Business Manager, depending on the particular circumstance. Overall budgetary guidelines will follow the annual budget set by the Board, which will also approve longer-range (three and five-year) strategic budgets to ensure that FHHLC remains on a sound financial footing.

### SchoolStart Indiana

FHHLC is working closely with SchoolStart Indiana, a non-profit consulting group composed of individuals with extensive charter experience in other states that has also helped with FHE with many aspects of the start-up process. SchoolStart Indiana is an outgrowth of School Start Minnesota, which is based in St. Paul, where the national charter movement was launched in 1991. SchoolStart recently received a major grant from the Walton Family Foundation to help subsidize the cost of its work, in order to help support twenty-two new charter schools over the next three years. It will assist FHHLC by giving advice in the areas of finance, fundraising, governance, staff development, accountability, Board training, and other key issues, with the aim of empowering the school community to build its own capacity for long-term success. It will work with FHHLC on a fee for service consulting basis through a contract approved by our Board, with a partial subsidy from Walton.

SchoolStart was specifically founded to offer short-term consulting to new schools and avoid the costs, long-term contracts, and external structure and management often involved in contracting with an EMO. It works with schools through the first year or two, does not charge a percentage of revenues, has substantial foundation support, and has no fixed curriculum or prior plan for any charter. Rather, its objective is to teach founders to fulfill their own particular vision in whatever way they see fit through offering technical advice and assistance. Its role is purely advisory, and at no time does it have any decision-making authority regarding a school matter.

SchoolStart will continually report to the Principal and Board regarding its activities in behalf of the school. If at any time the Board feels that it is not performing its duties as promised, its contract can be terminated.

One of SchoolStart's roles will be to play a key role in Board and staff development, including the holding of strategic retreats and trainings. SchoolStart staff have extensive experience in the area of board management and team building, as well as strategic planning, and this will be shared with both staff and board. Usually these retreats are given in two parts: one for the board alone, and the other part for both board and staff.

We have included in the Appendix B partnership letters from both SchoolStart and from HUDDLE Learning, Inc., as well as from other organizations who will be working closely with FHHLC to implement our program.

As outlined in the Leadership section, FHHLC already has an experienced candidate as its Principal, as well as a capable and Board Chair with extensive ties in Indianapolis. Both of these men possess clear leadership abilities, great people skills, administrative experience, and a dedication to educational innovation.

FHHLC's articles, bylaws, and a letter concerning our IRS application are included as **Appendix**

### **C. Transportation**

As all students will be at least 16 years of age, FHHLC will not provide transportation but will ask each student to find his or her own way to school. This is consistent with policies in most charter high schools throughout the country, and is especially important at FHHLC, where students may be attending at various times throughout a longer school day.